

Message Text

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FM AMEMBASSY MADRID

TO SECSTATE WASHDC IMMEDIATE 7074

C O N F I D E N T I A MADRID 685U

E.O.11652: GDS

TAGS: PFOR, PINT, SP

SUBJECT CURRENT POLITICAL SITUATION

SUMMARY: SECOND VICE PRESIDENT TOLD EMBASSY OFFICER
SEPTEMBER 7 THAT GOS DECISION ON POLITICAL REFORMS WOULD BE MADE
AT CABINET MEETINGS EITHER SEPTEMBER 10 OR 17 FOLLOWING
WHICH SUAREZ WOULD MAKE NATIONWIDE TV SPEECH. GOS , HE SAID
FOULD LEFT OPPOSITIONS SEPTEMBER 4 STATEMENT MODERATE
AND WAS ENCOURAGED THAT PSO AND PSP LEADERS GONZALEZ
AND TIerno GALVAN FAILED TO ATTEND OPPOSITION MEETING.
HE ALSO SAID GOS POLICY TOWARDS PCE IS TO ALLOW PCETTO
CARRY ON ACTIVITIES ONLY TOGETHER WITH OTHER PARTIES AND
NOT INDEPENDENTLY. RUMORS TO THE CONTRARY, OSORIO SAID
GOVERNMENT WAS COMPLETELY UNIFIED AND WORKING TIRELESSLY
TO PREPARE FOR ELECTIONS AT THE EARLIEST POSSIBLE MOMENT.
END SUMMARY:

1. EMBASSY OFFICER WITH LONG TIME ASSOCIATION WITH
ALFONSO OSORIO WAS ASKED TO CALL ON HIM LATE SEPTEMBER
7. EMBASSY OFFICER WAS PRECEDED BY PRESIDENT OF BANK OF
SPAIN WHO, WHILE BOTH WERE WAITING TO BE RECEIVED, COMMENTED
THAT ECONOMIC SITUATION WAS VERY BAD. HE WENT ON TO SAY
THAT TOURIST RECEPITS WERE PROPORTIONATELY LOWER THAN
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THE DECLINING NUMBER OF TOURISTS, PRINCIPALLY BECAUSE

TOURISTS WERE ENTERING SPAIN WITH PESETAS (THE IMPLICATION WAS THAT THERE HAD BEEN A FLIGHT OF CAPITAL) AND BECAUSE MANY MORE WERE COMING ON PREPAID ORGANIZED TRIPS. (SEE MADRID 6788, FOR MORE MEASURED VIEWS OF BANK OF SPAIN'S PRINCIPAL ECONOMIC ANALYSTS ON CURRENT ECONOMIC SITUATION

2. OSORIO REVIEWED CURRENT POLITICAL SITUATION WITH EMBASSY OFFICIAL NOTING THAT HE HAD PREVIOUSLY DESCRIBED MUCH OF IT TO AMBASSADOR IN A RECENT MEETING (REFTEL). RUMORS TO THE CONTRARY, OSORIO SAID THAT PRESENT GOVERNMENT WAS OF MIND AND UNIFIED ITS RESOLVE TO PREPARE FOR POLITICAL REFORM AND MOVE AHEAD WITH ELECTIONS AS SOON AS POSSIBLE. (THE MEDIA HAD REPORTED FOR TWO SUCCESSIVE DAYS THAT OSORIO AND SUAREZ WERE NO LONGER WORKING WELL TOGETHER AND THAT OSORIO HAD BEEN REMOVED FROM THE TIGHTLY KNIT CABINET GROUP THAT WAS PREPARING POLITICAL REFORMS. ON SEPTEMBER 8 THE MEDIA REPORTED THAT OSORIO HAD INFORMED THE LOGOS PRESS AGENCY (CATHOLIC) THAT HIS VIEWS WERE IDENTICAL WITH THOSE OF THE PREMIER. THE MINISTER OF INFORMATION AND TOURISM SUBSEQUENTLY RELEASED A STATEMENT SAYING THAT THE GOVT WAS UNIFIED AND THAT THOSE WHO TRIED TO SOW DISTRUST IN THE CABINET WOULD BE DISAPPOINTED. WE NOTE THAT OSORIO REPORTEDLY HAS BEEN PRESENT IN ALL OF THE MANY MEETINGS HELD BY THE PREMIER WITH OPPOSITION AND OTHER POLITICAL LEADERS IN THE PAST FEW DAYS.)

3. OSORIO COMMENTED THAT SEPT 4 MADRID MEETING OF THE COORDINACION DEMOCRATICA ENDED ON A RELATIVELY MODERATE NOTE. THE GOS HE SAID, WAS PARTICULARLY PLEASED WITH THE MODERATE TURN OF RUIZ GIMENEZ'S SPEECH AND THE ABSENCE OF PSOE LEADER FELIP GONZALEZ AND PSE LEADER TIerno GALVIN. INDEED, OSORIO SAID THAT TIerno GALVIN AND SUAREZ HAD ORGANIZED THEIR MEETING SO AS TO ALLOW TIerno TO USE IT AS AN EXCUSE FOR NON ATTENDANCE AT THE SEPTEMBER 4 MEETING. ACCORDING TO OSORIO THE PSOE AND THE PSP, WHICH HAVE BEEN IN CLOSE CONTACT WITH THE GOVT, ARE TRYING TO SEEK A WAY "OF GETTING RID OF" THE COMMUNISTS IN THE COORDINACION DEMOCRATICA (COMMENT: THIS RINGS LIKE AN OVERSTATEMENT

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OF PSOE AND PSE INTENTIONS OR AT LEAST CAPABILITIES ON THIS POINT BUT MAY BE A MORE REVEALING STATEMENT OF GOS INTENTIONS.) OSORIO JUDGED THAT THE COORDINACION DEMOCRATICA WAS STILL A LONG WAY FROM ACHIEVING UNITY OF OPPOSITION FORCES.

4. WHEN ASKED ABOUT THE APPEARANCE OF A MORE FLEXIBLE GOS POLICY TOWARDS PCE POLITICAL ACTIVITY OSORIO DESCRIBED

GOS POLICY TOWARDS PCE AS FOLLOWS: GOS HAS RECENTLY TURNED DOWN A NUMBER OF RECENT REQUESTS TO CARRY OUT SOME POLITICAL ACTIVITIES. ON ITS OWN THE GOS WILL ALLOW THE PCE TO CARRY OUT POLITICAL ACTIVITIES TOGETHER WITH OTHER GROUPS BUT IT WILL NOT BE ALLOWED TO ORGANIZE OR STAGE ITS OWN POLITICAL ACTIVITIES. OSORIO SAID THAT THE PCE HAD RELAYED TO THE GOS A PROPOSAL FOR A POLITICAL "DEAL". IN EXCHANGE FOR LEGALIZATION OF THE PCE AND TWO MINISTERIAL POSITIONS SYNDICATE AND ANOTHER ECONOMIC MINISTRY THE PCE WOULD GUARANTEE SOCIAL AND LABOR PEACE THROUGH ITS CONTROL OF WORKERS COMMISSION ACCEPT THE POSTONEMENT OF POPULAR ELECTIONS FOR AT LEAST TWO YEARS. OSORIO DERIDED THIS PROPOSAL BUT NOTED THAT IT REVEALS PCE CONSCIOUSNESS OF ITS LACK OF A POPULAR BASE AND FEAR ELECTIONS. IN HIS VIEW, THIS IS ONE MORE REASON WHY THE ELECTIONS SHOULD BE HELD AT THE EARLIEST POSSIBLE MOMENT.

5. OSORIO DESCRIBED GOVT'S REFORM PLANS ALONG PREVIOUSLY REPORTED LINES SAYING THAT PRESENT PLANS WILL MAKE THE FUTURE BICAMERAL SYSTEM VERY SIMILAR TO THE US SYSTEM IN THE DIFFERENCES BETWEEN THE POWERS OF THE CHAMBERS. THE GOVT HE REPORTED, HAD NOT AS YET FINALIZED THE PROGRAM WHICH MIGHT BE READY FOR THE CABINET MEETING SCHEDULED SEPT 10, BUT IF NOT, CERTAINLY FOR THE SUBSEQUENT CABINET MEETING SEPTEMBER 17. SUAREZ HAS ALREADY MADE ARRANGEMENTS TO DESCRIBE THIS PROGRAM TO THE SPANISH PEOPLE ON TV THE SAME DAY THE CABINET APPROVES IT. THE THRUST OF HIS REMARKS WILL BE THAT THE GOVT PROGRAM WILL BE RESPONSIVE TO THE NEED OF GIVING REPRESENTATION TO THE PEOPLE.

6. OSORIO EXPRESSED CONFIDENCE THAT THE EARLIER THE ELECTION THE EASIER IT WOULD BE TO COME TO GRIPS WITH ECONOMIC PROBLEMS. HE COMMENTED THAT THE PRESENT GOVT LACKS THE

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WUTHORITY TO ADOPT THE MEASURES NEEDED TO GUID THE CONOMY ON THE PATH OF THE RECOVERY. POLITICAL CHANGES WOULD HAVE TO COME FIRST AND THEY WILL REQUIRE ELECTIONS IN ORDER TO GIVE THE GOVT THE NEEDED AUTHORITY.

7. WITH RESPECT TO THE OUTLOOK FOR CHRISTIAN DEMOCRATIC UNITY OSORIO EXPRESSED CONFIDENCE THAT THE VARIOUS FACTIONS WILL BE BROUGHT TOGETHER. HE SAID THAT FROM THE SOCIOLOGICAL STANDPOINT A MAJOR SEGMENT OF CHRISTIAN DEMOCRATS SUPPORTED FRANCO FROM THE START AND STILL REPRESENT A MAJOR SEGMENT IN SPANISH POLITICS. THE OTHER MAJOR SEGMENT IS THE OPPOSITION BUT OSORIO BELIEVES THAT SOME OF ITS REPRESENTATIVES CAN BE BROUGHT TOGETHER WITH THE SOCIOLOGICAL FRANCOITIES IN CHRISTIAN DEMOCRACY. AS HE HAD REPORTED EARLIER TO THE AMBASSADOR THE FLY IN THE OINTMENT IS GIL ROBLES.

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